

**November 2009****COMMUNITY BANKING ISSUES****FDIC ADOPTS GUIDANCE ON PRUDENT COMMERCIAL  
REAL ESTATE LOAN WORKOUTS**

As a part of our Community Banking Team's effort to keep you informed of the latest industry developments, please be advised that on October 30th, the FDIC, in coordination with the other federal bank regulatory agencies, adopted a policy statement restating and revising the bank regulators' stance on commercial real estate workouts. The policy statement sets forth the regulatory standards for commercial real estate workouts and recognizes that prudent normal workouts are often in the best interests of both the financial institution and the borrower, particularly during these difficult economic times. The policy statement recognizes that borrowers are experiencing tough times and that, with the appropriate balance, financial institutions should be able to renew or restructure loan credits without resulting in adverse classification solely because the collateral value has declined.

If you would like to read the press release sent by the FDIC, please go to [fdic.gov](http://fdic.gov) and click on News & Events.

Please feel free to call any of the members of Murtha Cullina's Community Banking Team listed below with any questions or if we can assist you in any way.

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The Community Banking Group at Murtha Cullina is pleased to provide clients and friends with information about topics of interest in the banking area.

If you have questions about the issues addressed in this newsletter, or any other matters involving community banking issues, please feel free to contact any of the following attorneys:

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